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I. Introduction National Fuel Gas Distribution Corporation ("Distribution" or the "Company") submits the instant broad based comments on the Draft Energy Plan. The Company will not comment on each component of the objectives, strategies, and recommendations presented in the Draft Energy Plan. The Draft Plan already has articulated that its framework should reliably meet the future energy needs of the State in a cost-effective and sustainable manner. Distribution believes that the requirement for "cost-effective" implementation of specific plans that meet the State's energy needs should be strongly emphasized in the 2009 State Energy Plan. The current economic recession provides little room for the implementation of state energy policies that would add to the overall cost of energy faced by New Yorkers. New York businesses compete in a worldwide market place for the production of goods and services, to add to the relative cost of doing business within the State at this time of economic weakness would not serve the residents of New York well. That being said, it has been Distribution's experience that the agencies and authorities of the State with which the company does business recognize that the energy initiatives of the State's utilities, businesses and households need to be cost effective. That is, that the overall benefits of any State, utility, business, or household energy initiative should outweigh the overall costs. The Company believes that this overriding standard of benefits outweighing costs should be continued by the state's agencies and authorities and it deserves specific emphasis in the 2009 State Energy Plan. II. Draft 2009 State Energy Plan Policy Objectives The Draft 2009 State Energy Plan strategies and recommendations are designed to meet five policy objectives: (1) assure reliable energy and transportation systems, (2) support energy and transportation systems that enable the State to significantly reduce greenhouse gas emissions, (3) address affordability concerns of residents and businesses, (4) reduce the health and environmental risks associated with the production and use of energy, and (5) improve the State's energy independence and fuel diversity by developing in-state energy supply resources. These are laudable objectives that Distribution believes can each be met in the most cost-effective manner by the increasing the use and access of natural gas to households, businesses and government facilities within the State. Natural gas has been recognized as a low cost clean burning fuel. The technologies used in natural gas equipment to meet the energy needs of homes and businesses are proven and constantly improving in terms of energy efficiency. What is lacking in the State is a sufficient delivery and transmission infrastructure to provide more New Yorkers with access to this low cost clean burning fuel source. Increasing residential and business access to natural gas supplies should be a strong priority for the State. This increased access to natural gas supplies has even greater potential with the recent recognition of indigenous shale gas supplies

within the state. It is increasingly recognized that advances in natural gas production technologies have created the potential for a true "game changing" event in the energy industry. Shale gas supplies within and nearby New York State have the potential to change the cost and sources of natural gas supplies available to the state. Access to indigenous natural gas supplies can reduce the need to invest in longer pipeline transmission systems currently required to access the major natural gas producing regions in the southwestern United States and western Canada. These local supplies provide the potential for low cost clean burning natural gas to provide an expanding slice of the overall energy needs of the state. Coupled with end use energy efficiency initiatives, natural gas can be used to generate a greater portion of the state's electric needs and as a direct use fuel in many home and business energy applications such that the overall greenhouse gas emissions of the state can be reduced. Recognition of this new source of energy supply with its associated potential for increased jobs within the state as well as access to a low cost clean burning in-state fuel energy source should be strongly emphasized in Final State Energy Plan. III. Strategies Outlined in the Plan The Draft 2009 State Energy Plan outlines five strategies to meet the policy objectives cited above. The strategies are identified as follows: (1) produce, deliver, and use energy more efficiently, (2) support development of in state energy supplies, (3) invest in energy and transportation infrastructure, (4) stimulate innovation in a Clean Energy Economy, and (5) engage others in achieving the State's policy objectives. The Company supports this list of general strategies. The Draft 2009 State Energy Plan further sub-divides these broad strategies into more specific sub-strategies and recommendations. It is not the Company's intention in these comments to delve into the details about each of the individual sub-strategies and recommendations cited in the Draft 2009 State Energy Plan. The Company would recommend, however, that the strategies and recommendations be prioritized based a reasonable cost/benefit basis. That is, strategies and recommendations that provide the greatest benefits to the State at the lowest cost should be given the greatest priority for implementation. Strategies and recommendations that can provide the greatest positive benefits to the State should be implemented as soon as practical. In the current economic environment, projects that make the State more energy efficient and provide greater access to lower cost fuel sources should be implemented first since these projects will be able to provide real economic benefits that will make the State more competitive in attracting jobs and employers. As mentioned previously, the Company believes that the opportunity for expansion of natural gas transmission and delivery infrastructure as well as indigenous natural gas production will provide significant benefits to the State. Policies of the State's agencies and authorities should strongly support the development of natural gas infrastructure within New York.